



General Assembly

February Session, 2002

Raised Bill No. 5378

LCO No. 608

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

***AN ACT CONCERNING PROTECTIONS FOR PUBLIC HOUSING
RESIDENTS DISPLACED BY THE DEMOLITION OF SUCH HOUSING.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2002*) (a) If a housing authority
2 demolishes a housing project operated by the authority and develops
3 housing units at the site of said project, the authority may sell any such
4 housing units only to eligible families who meet minimum qualifying
5 standards, subject to deed restrictions approved by the authority and in
6 compliance with the provisions of this section. Families living at such
7 project prior to the demolition of the project shall have priority for
8 purchase or rental of all units, and no unit shall be sold or rented to any
9 other family unless the authority determines there are no families who
10 lived in the project prior to demolition who desire and qualify to
11 purchase or rent such units. The authority and the Commissioner of
12 Economic and Community Development shall assist such families,
13 regardless of income, to meet all qualifying conditions for the purchase
14 or rental of such units, including, but not limited to, (1) linking families
15 to public or private mortgage and down payment assistance programs,
16 (2) adjusting interest rates and minimum payment requirements so as to

17 make instalment payments affordable to eligible families who wish to
18 purchase or rent, (3) providing direct mortgage assistance, (4) providing
19 state or federal rental assistance, and (5) engaging in other actions so as
20 to make it possible for any family living in the project prior to demolition
21 to purchase or rent a housing unit. If the number of families desiring to
22 purchase or rent a unit is greater than the number of units available, the
23 authority may devise an equitable system, by lottery or otherwise, for
24 determining which families shall be permitted to purchase or rent,
25 provided such system shall not be based on the family's employment
26 status or amount of income, subject to the provisions of subsection (b) of
27 this section. If there is an insufficient number of eligible families who
28 wish to purchase or rent units at the site of said project, the authority
29 may permit the purchase or rental of such units by persons who meet the
30 initial occupancy standards for admission to moderate rental housing,
31 but who did not previously reside in the project. As used in this
32 subsection, (A) "eligible families" means low or moderate income
33 families who lived in the project within the four years prior to the
34 demolition of the project, and (B) "minimum qualifying standards"
35 means (i) family income from all sources which, when combined with
36 the assistance that the authority and the Commissioner of Economic and
37 Community Development are required to provide pursuant to this
38 section, is sufficient to pay the monthly mortgage and other costs of a
39 housing unit developed at the site of said project, taking into
40 consideration any reduction in such costs which arise from assistance
41 required to be provided pursuant to this section, and (ii) commitment to
42 participating in an ownership program. If, after fully providing the
43 assistance required under this section to an eligible family, such family is
44 unable to obtain financing to purchase any such housing due to lack of
45 credit worthiness, the authority may sell such housing unit to another
46 eligible family selected pursuant to the provisions of this subsection.

47 (b) For the purposes of this section, deed restrictions approved by the
48 authority for a housing unit developed at the site of said project shall
49 require for thirty years that (1) at the time of purchase by or rental to
50 each new owner or tenant family, the owner or family shall be a family

51 of low and moderate income, as defined in section 8-39 of the general
52 statutes, and eligible for admission to moderate rental housing pursuant
53 to part II of chapter 128 of the general statutes, (2) the resale price of the
54 housing unit shall be limited to the original purchase price, adjusted for
55 inflation and improvements to the housing unit, as determined by the
56 authority, and (3) the rental price for each rental unit shall not exceed the
57 current fair market rents for the area established by the United States
58 Department of Housing and Urban Development.

59 Sec. 2. (NEW) (*Effective July 1, 2002*) The Commissioner of Economic
60 and Community Development may provide to residents of a housing
61 authority project, which the authority plans to demolish, relocation and
62 rehousing assistance in accordance with the uniform relocation
63 assistance act and other applicable laws regarding the displacement of
64 tenants.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>

Statement of Purpose:

To enable residents of a public housing project which is demolished to purchase housing units which are constructed on the site of said project and to provide relocation assistance for residents of any demolished housing project.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]